

Conference Engrossed

State of Arizona  
House of Representatives  
Forty-sixth Legislature  
First Regular Session  
2003

CHAPTER 243

**HOUSE BILL 2156**

AN ACT

AMENDING TITLE 20, CHAPTER 2, ARTICLE 2, ARIZONA REVISED STATUTES, BY ADDING SECTION 20-270; RELATING TO INSURANCE.

(TEXT OF BILL BEGINS ON NEXT PAGE)



1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Title 20, chapter 2, article 2, Arizona Revised Statutes,  
3 is amended by adding section 20-270, to read:

4 20-270. Lienholders; proof; accidents; notice; applicability

5 A. AN INSURED OR CLAIMANT SHALL PROVIDE INFORMATION AS PART OF THE  
6 PROOF OF LOSS CONCERNING THE EXISTENCE OF ANY LIEN OR ENCUMBRANCE AGAINST THE  
7 VEHICLE INVOLVED IN THE ACCIDENT OR INCIDENT GIVING RISE TO THE DAMAGE OR  
8 LOSS. A CLAIM SHALL NOT BE AN ACCEPTABLE PROOF OF LOSS UNTIL SATISFACTORY  
9 EVIDENCE OF THE EXISTENCE OF ANY LIEN OR ENCUMBRANCE HAS BEEN PROVIDED TO THE  
10 INSURER. THIS SECTION SHALL NOT APPLY IF THE AMOUNT OF DAMAGES OR LOSS DOES  
11 NOT EXCEED TWO THOUSAND FIVE HUNDRED DOLLARS.

12 B. AN INSURER SHALL BE ENTITLED TO RELY UPON INFORMATION PROVIDED BY  
13 THE INSURED OR CLAIMANT PURSUANT TO SUBSECTION A CONCERNING THE EXISTENCE OF  
14 ANY LIEN OR ENCUMBRANCE AGAINST THE VEHICLE. AN INSURER THAT ACTS IN GOOD  
15 FAITH UPON THE INFORMATION PROVIDED BY THE CLAIMANT OR INSURED SHALL NOT BE  
16 LIABLE FOR ANY DAMAGES ARISING FROM THE INSURED'S OR CLAIMANT'S FAILURE TO  
17 PROVIDE ACCURATE INFORMATION TO THE INSURER CONCERNING EXISTENCE OF ANY LIEN  
18 OR ENCUMBRANCE AGAINST THE VEHICLE INVOLVED IN THE ACCIDENT OR INCIDENT  
19 GIVING RISE TO THE DAMAGE OR LOSS.

20 C. AN INSURED OR CLAIMANT SHALL BE LIABLE FOR ANY DAMAGES ARISING FROM  
21 THE FAILURE OF THE INSURED OR CLAIMANT TO PROVIDE ACCURATE INFORMATION  
22 PURSUANT TO SUBSECTION A REGARDING THE EXISTENCE OF ANY LIEN OR ENCUMBRANCE  
23 AGAINST THE VEHICLE INVOLVED IN THE ACCIDENT OR INCIDENT GIVING RISE TO THE  
24 DAMAGE OR LOSS.

25 D. THIS SECTION SHALL NOT APPLY IF AN INSURER DOES EITHER OF THE  
26 FOLLOWING WITH RESPECT TO THE REPAIR OF DAMAGES OR LOSS TO A VEHICLE:

27 1. ISSUES A RELEASE OF CLAIMS IN THE NAMES OR MAKES THE PROCEEDS  
28 PAYABLE TO BOTH THE INSURED OR CLAIMANT AND ALL LIENHOLDERS OR VEHICLE  
29 LESSORS.

30 2. MAKES THE PROCEEDS PAYABLE TO THE MOTOR VEHICLE REPAIR FACILITY  
31 AFTER VERIFICATION BY THE INSURER THAT THE DAMAGE OR LOSS HAS BEEN REPAIRED.

APPROVED BY THE GOVERNOR MAY 20, 2003

FILED IN THE OFFICE OF THE SECRETARY OF STATE MAY 21, 2003.

Passed the House March 10, 2003,

Passed the Senate April 10, 2003,

by the following vote: 43 Ayes,

by the following vote: \_\_\_\_\_ Ayes,

14 Nays, 3 Not Voting

\_\_\_\_\_ Nays, \_\_\_\_\_ Not Voting

Jake Flake  
Speaker of the House

\_\_\_\_\_  
President of the Senate

German L. Moore  
Chief Clerk of the House

\_\_\_\_\_  
Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF GOVERNOR

This Bill was received by the Governor this

\_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_,

at \_\_\_\_\_ o'clock \_\_\_\_\_ M.

\_\_\_\_\_  
Secretary to the Governor

Approved this \_\_\_\_\_ day of

\_\_\_\_\_, 20\_\_\_\_,

at \_\_\_\_\_ o'clock \_\_\_\_\_ M.

\_\_\_\_\_  
Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State

this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_,

at \_\_\_\_\_ o'clock \_\_\_\_\_ M.

\_\_\_\_\_  
Secretary of State

H.B. 2156

HOUSE CONCURS IN SENATE  
AMENDMENTS AND FINAL PASSAGE

Passed the House \_\_\_\_\_, 20\_\_\_\_,

by the following vote: \_\_\_\_\_ Ayes,

\_\_\_\_\_ Nays, \_\_\_\_\_ Not Voting

\_\_\_\_\_  
Speaker of the House

\_\_\_\_\_  
Chief Clerk of the House

ON RECONSIDERATION

Passed the Senate April 16, 20 03,

by the following vote: 28 Ayes,

2 Nays, 0 Not Voting

Ken Bennett  
President of the Senate

Charmaine Billington  
Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF GOVERNOR

This Bill was received by the Governor this

\_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_,

at \_\_\_\_\_ o'clock \_\_\_\_\_ M.

\_\_\_\_\_  
Secretary to the Governor

Approved this \_\_\_\_\_ day of

\_\_\_\_\_, 20\_\_\_\_,

at \_\_\_\_\_ o'clock \_\_\_\_\_ M.

\_\_\_\_\_  
Governor of Arizona

H.B. 2156

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State

this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_,

at \_\_\_\_\_ o'clock \_\_\_\_\_ M.

\_\_\_\_\_  
Secretary of State

HOUSE FINAL PASSAGE  
as per Joint Conference

Passed the House May 7, 2003,

by the following vote: 44 Ayes,

11 Nays, 5 Not Voting

Jack Elake  
Speaker of the House

Norman L. Moore  
Chief Clerk of the House

SENATE FINAL PASSAGE  
as per Joint Conference

Passed the Senate May 13, 2003

by the following vote: 26 Ayes,

1 Nays, 3 Not Voting

Ken Blumett  
President of the Senate

Charmine Billington  
Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF GOVERNOR

This Bill was received by the Governor

this 14 day of May, 2003

at 2:32 o'clock P M.

Sandra Ramirez  
Secretary to the Governor

Approved this 20 day of

May, 2003,

at 9:40 o'clock A. M.

Jon R. Rye  
Governor of Arizona

H.B. 2156

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State

this 21 day of May, 2003

at 3:56 o'clock P. M.

Janice L. Brown  
Secretary of State